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FM AMEMBASSY BANDAR SERI BEGAWAN  
TO SECSTATE WASHDC PRIORITY 2824  
INFO AMEMBSSY SINGAPORE  
AMEMBASSY JAKARTA  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY BANGKOK  
AMEMBASSY MANILA

C O N F I D E N T I A L SECTION 01 OF 03 BANDAR SERI BEGAWAN 1188

E.O. 12356: NA

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SUBJ: THE SULTAN'S FIRST YEAR ON HIS OWN - A SOLID PERFORMANCE

11. CONFIDENTIAL - ENTIRE TEXT

12. SUMMART: THE SULTAN OF BRUNEI HAS NOW GOVERNED BRUNEI ON HIS OWN FOR A LITTLESORE THAN ONE YEAR. IMPORTANT ACCOMPLISHMENTS INCLUDE VISITS TO ALMOST EVERY AREA OF THE NATION AND AN EMPHASIS ON A RESPONSIVE GOVERNMENT. HE HAS WARNED AGAINST THE SPREAD OF EXTREMIST ISLAMIC BELIEFS AND MOVED TO REINFORCE A MODERATE ISLAMIC WAY OF LIFE IN BRUNEI. IN THE FOREIGN POLICY AREA, BRUNEI SEEKS A ROLE THT IS BEYOND MERE RECOGNITION OF ITS RIGHT AS AN INDEPENDENT NATION. THE MILITARY'S CONTACTS WITH OTHER NATIONS ARE EXPANDING AND IT IS MOVING TOWARDS UPGRADING ITS EQUIPMENT CAPABILITIES. THE SULTAN'S ADMINISTRATION HAS SHOWN A WILLINGNESS TO TACKLE DIFFICULT SOCIAL AND CULTURAL PROBLEMS IN THIS MALAY SOCIETY THROUGH THE ESTABLISHMENT OF A DRUG REHABILITATION CNETER AND AN INFORMATION PROGRAM AIMED AT PREVENTING THE SPREAD OF AIDS. BRUNEI'S PROBLEMS, ESPECIALLY WHEN COMPARED TO THOSE OF ITS NEIGHBORS, ARE MODEST. THE NATION NEEDS TO IMPROVE BASIC SERVICES, SUCH AS TELEPHONE AND WATER SERVICE. MORE TROUBLESOME IS THE CONTINUAL BLURRING OF LINES BETWEEN PUBLIC AND PRIVATE BUSINESS. END SUMMARY.

13. WITH THE DEATH OF THE SERI BEGAWAN (SUTLAN'S FATHER) IN SEPTEMBER 1986, THE SULTAN COULD FINALLY SET HIS OWN COURSE FOR THE GOVERNMENT, CHOOSE HIS OWN CABINET, AND GOVERN THE NATION OF BRUNEI, WITHOUT THE INTERVENTION OF HIS FATHER. IMMEDIATELY AFTER THE FORTY DAY MOURNING PERIOD HE INSTALLED A NEW CABINET THAT GAVE SOME VERY ABLE MEN, SUCH AS PEHIN ISA, IMPORTANT POSTS. AT THE SAME TIME THE SULTAN SHUNTED ASIDE SEVERAL INDIVIDUALS, SUCH AS PEHIN AZIZ, WHOSE IDEAS FOR BRUNEI DID NOT MATCH HIS OWN. ONE OF THE FIRST AREAS THE SULTAN AND PEHIN ISA TACKKED WAS THE CRITICISM THAT THE SULTAN WAS TOO DISTANT FROM THE PEOPLE. FOR THE LAST YEAR THE SULTAN HAS JORNEYED AT LEAST ONCE A MONTH TO A KAMPONG, MET THE KAMPONG LEADERS, VISITED THE KAMPONG SCHOOL AND MOSQUE, AND THEN SEEN A PRIVATE SECTOR ENTERPRISE RUN BY A BUDDING BUMIPUTRA BUSINESSMAN. ALL OF THIS HAS BEEN RECORDED BY RADIO TELEVISION BRUNEI AND SHOWN ON THE VENING NEWS. ANOTHER REGULAR FEATURE OF THESE VISITS HAVE BEEN THE SULTAN ACCEPTING PETITIONS FROM THE KAMPONG ELDERS FOR SERVICES AND NEEDS OF THE KAMPONG. DURING THIS YEAR THE SULTAN HAS VISITED ALL OF BRUNEI, INCLUDING KAMPONGS ONLY ACCESSIBLE BY AIR OR RIVER BOAT. A CONSITENT THEME EMPHASIZED BY THE SULTAN AND ISA DURING THE YEAR IS THE GOVERNMENT IS TO BE RESPONSIVE TO THE NEEDS OF THE PEOPLE.

14. THROUGH THESE KAMPONG VISITS PEHIN ISA, WHO HEADS THE ESTABLISHMENTS OFFICE, AND HIS STAFF HAVE BEGUN TO TACKLE THE KAMPONG PROBLEMS, INCLUDING THE INCREASING NUMBER OF ILLEGAL ALLIENS AND THE LACK OF SERVICES. IN A SIMILIAR MOVE, THE MINISTER OF EDUCATION HAS UNDERTAKEN A PROGRAM TO VISIT EVERY SHCOOL IN THE NATION (THERE ARE 176 SCHOOLS) AND MEET THE SCHOOL PRINICPALS AND TEACHERS. ONE OF THE VIIBLE CHANGES IS THAT SCHOOLS ARE NOW REPARIED WHEREAS BEFORE THEY WERE IN DEPLORABLE SHAPE, ESPECIALLY FOR A NATION OF BRUNEI'S WEALTH.

15. ANOTHER CIRICISM OF THE BRUFEI GOVERNMENT IS THT IT DOESN'T FACE TOUGH ISSUES WITH CULTURAL AND SOCIAL IMPLICATIONS. ONE EXAMPLE IS THAT THE OFFICIAL LINE ON DRUGS USED TO BE THAT THERE WAS NO PROBLEM. DURING THE LAST YEAR THE SULTAN HAS WARNED AGAINST THE EVILS OF DRUG ABUSE AND THE GOVERNMENT ESTABLISHED A DRUG REHABILITATION CENTER. WHILE BRUNEI'S DRUG PROBLEM IS MINOR COMPARED TO

THAT OF MALAYSIA, THE GOVERNMENT NOW ACKNOWLEDGES THE ISSUE AND IS WORKING TO PREVENT DRUG ABUSE.

¶16. ANOTHER DIFFICULT ISSUE THAT THE HEALTH MINISTER AND HIS DEPARTMENT HAVE FACED FORTHRIGHTLY IS AIDS. THE NATION HAS LAUNCHED A PUBLIC INFORMATION CAMPAIGN WITH POSTERS AND PAMPHLETS. WHAT WAS TACITLY ACKNOWLEDGED WITH THE INTRODUCTION OF THIS CAMPAIGN IS THAT BRUNEI HAS A COMMUNITY OF HIGH RISK MEN, SOMETHING MOST BRUNEIANS PREFER TO OVERLOOK.

¶17. ANOTHER EXAMPLE IS THE GOVERNMENT'S REALIZATION THAT SOMETHING MUST BE DONE ABOUT THE HIGH NUMBER OF TRAFFIC DEATHS AND ACCIDENTS THAT TAKE PLACE IN BRUNEI. THE HEALTH MINISTRY AND COMMUNICATIONS MINISTRY WORKED TOGETHER TO PASS A SELT BELT LAW, A GOOD START. THEN THE MINISTER OF COMMUNICATIONS LAUNCHED A CAMPAIGN FOR DRIVER'S EDUCATION.

¶18. THE IMMIGRATION DEPARTMENT WORKS TO STOP ANY KNOWN ISLAMIC EXTREMIST FROM ENTERING THE NATION. TOP GOVERNMENT OFFICIALS ARE WORRIED BY THE PROBLEMS IN MALAYSIA WITH ISLAMIC EXTREMISTS AND WORK TO PREVENT THE GROWTH IN BRUNEI. THE SULTAN IS ALSO PROMOTING MAINSTREAM ISLAMIC BELIEFS. THIS YEAR THE SULTAN PERFORMED THE HAJ ALONG WITH MANY OF ADVISORS. THE PEOPLE OF BRUNEI, INCLUDING BUSLOADS OF SCHOOL CHILDREN, LINED THE STREETS WHEN HE DEPARTED AND AGAIN WHEN HE RETURNED. THE DAY WHEN THE SULTAN RETURNED THERE WAS A MASSIVE PUBLIC GATHERING NEAR THE PALACE WHERE THE SULTAN SPENT HOURS WITH HIS SUBJECT, TAKING WITH EVERYONE, ALL TO THE CONSTERNATION OF HIS SECURITY PEOPLE.

¶19. THE SULTAN HAS WORKER TO SIDESTEP THOSE WHOSE VIEWS ARE NOT IN LINE WITH HIS, FOR INSTANCE, THE GRAND MUFTI WHO IS CONSIDERED PART OF THE OLD GUARD. HIGH GOVERNMENT OFFICIALS ARE PROMOTING THE CAREER OF THE RELATIVELY YOUNG PERMANENT SECRETARY OF RELIGIOUS AFFAIRS, WHOSE SPEECHES REFLECT THE SULTAN'S MODERATE ISLAMIC VIEWS.

10 IN THE FOREIGN POLICY ARDA, BRUNEI IS MOVING BEYOND ITS GOAL SINCE INDEPENDENCE, WHICH WAS RECOGNITION OF THE COUNTRY AND ITS RIGHT TO EXIST AS AN INDEPENDENT STATE. THE FOREIGN MINISTRY IS PLAYING MORE OF A ROLE IN ASEAN MEETINGS AND PREPARING FOR BRUNEI'S LEADERSHIP OF VARIOUS COMMITTEES. THE ASEAN LABOR CONFERENCE, HELD IN LATE 1986, WAS THE FIRST MEETING AT THE MINISTERIAL LEVEL HELD IN BRUNEI. ONE OF THE DIRECT BENEFICIARIES OF THE SERI BEGAWAN'S PASSING FROM THE SCENE HAS BEEN INDONESIA. SEVERAL MONTHS AGO THE SULTAN OFFERED A SOFT LOAN OF \$100 MILLION TO INDONESIA, SOMETHING THAT WOULD HAVE NEVER HAPPENED DURING THE SULTAN'S FATHER TIME BECAUSE HE NEVER FORGAVE THE INDONESIANS FOR THEIR ROLE IN THE 1962 UPRISING.

¶11. WHILE BRUNEI FOREIGN POLICY EMPHASIZES CONSENSUS, AS DOES ITS WAY OF LIFE, AND AVOIDING CONFLICTS, THE RECENT ASEAN DEBATE ON WHETHER OR NOT TO GO TO MANILA DEMONSTRATE THE NATION IS WILLING TO TAKE A POSITION AND DEFEND IT. EARLY ON BRUNEI DECIDED THE MINISTERIAL MUST GO ON IN MANILA AND HAS NOT WAVERED FROM THAT POSITION.

¶12. THE MILITARY HAS CONTINUED TO EXPAND THEIR CONTACTS WITH OTHER NATIONS THIS PAST YEAR. THEY HAVE MOVED TO SHARE INTELLIGENCE INFORMATION WITH THE MALAYSIANS AND THE MALAYSIANS WORKED WITH THE BRUNEIANS TO CLEAR SEA AND AIR TRAFFIC DURING THE BRUNEIAN'S FIRING OF TWO EXOCET MISSILES. THE BRUNEIANS ARE CONSIDERING A JOINT VENTURE IN A MUNITIONS PLANT IN MALAYSIA. SINGAPORE EXISTING PROGRAMS IN BRUNEI CONTINUE TO GROW. RBAF TROOPS ARE OBTAINING BASIC SPECIAL FORCES TRAINING IN AUSTRALIA.

¶13. THE MILITARY IS MOVING TOWARDS NEW EQUIPMENT ACQUISITIONS INCLUDING FIXED WING AIRCRAFT, NEW PATROL BOATS (CORVETTE CLASS) AND AN INTEGRATED RADAR SYSTEM. THE MAJOR CONSTRAINT IS THE LACK OF PERSONNEL. OVER 4,000 MEN ARE ALREADY IN THE MILITARY, A LARGE AMOUNT FOR A NATION OF JUST 225,000 WITH ONLY ABOUT 135,000 MALAYS.

¶14. BRUNEI'S PROBLEMS ARE MODEST, ESPECIALLY WHEN COMPARED TO NEIGHBORING NATIONS. IN SPITE OF THE BEST EFFORTS OF THE NEW

MINISTER OF DEVELOPMENT, HIS MINISTRY, WHICH IS REALLY A GIANT PUBLIC WORKS DEPARTMENT, JUST ISN'T ABLE TO MAINTAIN ROADS WELL OR BUILD GOOD BRIDGES IN A TIMELY FASHION. WHY A NATION WITH 6 FEET OF RAINFALL A YEAR HAS PERIODIC WATER SHORAGES IS A QUESTION NO MINISTRY OFFICIALS WANTS TO ANSWER. LOCAL TELEPHONE SERVICE CONTINUES TO BE A SORE SPOT WITH EVERYONE.

¶15. ONE PROBLEM THAT IS GETTING BIGGER IS THE BLURRING OF LINES BETWEEN PUBLIC AND PRIVATE BUSINESS. AN OBVIOUS EXAMPLE IS THE INTERNATIONAL BANK OF BRUNEI, FORMERLY THE ISLAND DEVELOPMENT BANK. THIS BANK IS CONTROLLED BY THE ROYAL FAMILY AND THE DIRECTORS ARE MEMBERS OF THE MINISTRY OF FINANCE. THE QUESTION IS WHO SHOULD REGULATE THE BANK IF THE MINISTRY OFFICIALS ARE THE DIRECTORS. ANOTHER EXAMPLE IS THE GROWING NUMBER OF FIRMS WITH CLOSE TIES TO THE ROYAL FAMILY OR RELATIVES OF MINISTERS. THE QUESTION IS: "JUST HOW COZY CAN THE RELATIONSHIPS BE BEFORE THEY CAUSE DIFFICULTIES.

¶16. ANOTHER PROBLEM AREA IS ON PUBLICITY ATTACHED TO THE SULTAN'S VENTURES OUTSIDE OF BRUNEI, WHETHER IT BE THE RECENT PURCHASE OF THE BEVERLY HILLS HOTEL OR THE SOFT LOAN FOR INDONESIA. MONEY SPENT INSIDE BRUNEI IS NOT VIEWED IN A HARSH LIGHT, FOR INSTANCE, BRUNEIANS DO NOT VIEW THE PALACE AS AN EXTRAVAGANCE BECAUSE IT DOUBLES AS A GOVERNMENT BUILDING AND THEY GET TO VISIT IT AT LEAST ONCE A YEAR, AT HARI RAJA, WHEN THE SULTAN SHAKES EVERYONE'S HAND AND GIVES FOOD TO ALL VISITORS. HOWEVER, BRUNEIANS QUESTION PURCHASES OR VENTURES OUTSIDE THE NATION WITH THE ARGUMENT THAT THE MONEY SHOULD BE SPENT ON DEVELOPING BRUNEI.

FERGUSON